



Downtown Center Business Improvement District

BOARD OF DIRECTORS MEETING MINUTES September 1, 2011

Board of Directors

Eric Bender, Barbara Bundy, Robert Cushman, Sauli Danpour, Kathy Faulk, Joseph Flueckiger, Steve Hathaway, Peggy Moretti, Anne Peaks, Peklar Pilavjian, Paul Rutter, Carol E. Schatz, Patrick Spillane, Susann Ventzke, Cari Wolk

Absent

Sonny Astani, David Damus, Frank Frallicciardi, Robert Hanasab, Sandy Nam, Colin Shepherd, Daniel B. Swartz, Cindy Troesh, Peter Zen

Staff

Hal Bastian, Jeff Chodorow, Randall Ely, Rachel Forman, Jacob Holloway, Connie Hwang, Aleeza Miller, Ken Nakano

CALL TO ORDER

Spillane called the meeting to order at 8:10 a.m. with a quorum.

PROPERTY OWNER/PUBLIC COMMENT PERIOD ON AGENDA ITEMS

Spillane opened the meeting to the public for comments, in which there were none.

ELECTION OF NEW BOARD MEMBERS

Schatz introduced the two nominees to the DCBID Board:

Peggy Moretti, MPG Office Trust
Paul Rutter, Thomas Properties Group

Peklar Pilavjian made a motion to elect the nominees to the DCBID Board of Directors. Joseph Flueckiger seconded the motion. The motion was then approved by the Board.

APPROVAL OF MINUTES

Kathy Faulk made a motion to accept the minutes from the Board meeting on July 21, 2011. Sauli Danpour seconded the motion. The motion was then approved by the Board.

PRESIDENT'S REPORT

The DCBID had a press conference the previous week to announce the release of the Demographic Study. The press conference was well attended by the press and was picked up by a variety of radio stations as well. The press conference was hosted by Brookfield Office Properties, and Bert Dezzutti, Barbara Jacobs, and Mario Del Pero spoke. There was front page coverage in the Downtown News about the Demographic Survey. The survey is the DCBID's most effective marketing tool and will continue to play a critical role in recruiting businesses to Downtown.

There was a special meeting on the proposed streetcar last week because the largest property owners are concerned about the financing for the project. Tim Leiweke hosted a meeting last week to discuss the streetcar. The DCBID had previously taken a position to oppose to the streetcar unless certain conditions are met: the route must serve those who are paying the most for the streetcar, the property owners alone should be the ones to participate in the vote about the streetcar, and the operations of the streetcar must be paid by a public entity. Leiweke recognized the validity of their concerns and told Dennis Allen to go back to the drawing board to address their concerns. Schatz will schedule a meeting with the largest property owners in the area to see if there is any basis for moving forward.

The DCBID has been very involved in the discussions regarding Art Walk. Although Art Walk takes place outside the district, it has a profound impact throughout Downtown and is a positive force to attract thousands of people to Downtown. After several calls with both concerns and questions about how to expand the benefit of Art Walk, Schatz has scheduled a meeting with both CCA members and property owners to have a discussion about Art Walk.

Schatz was in Sacramento the previous week. Schatz and Robbie Hunter, head of the building trade, went to various legislative offices to advocate on behalf of Farmers Field and were invited to interviews with the LA Times and the Sacramento Bee. AEG is pressing for special legislation that would require them to do a full Environmental Impact Report (EIR), but would shorten the time for challenges to the EIR, with an expedited judicial review. Schatz is going over the legislative analyst's report, which questioned the economic benefit of building the Events Center in Downtown.

Ron Nichols, General Manager of the Los Angeles Department of Water & Power, expected to have the rate increase go into effect in October, but it was forestalled by the interests of the Mayor and certain Councilmembers to have the Ratepayer Advocate in place before increasing the rates. There is a special committee to select the Ratepayer Advocate, but Schatz doesn't expect the selection to occur until the end of the year and expects rate increases in the first quarter of 2012.

FINANCE COMMITTEE REPORT

Faulk reported:

As of July 1, 2011, the financial statements will have an additional column to reflect how the actual budget compares with the forecasted budget. Going forward, the three columns will be the actual, reforecasted, and budgeted amounts. There were no significant operating variances. The only issue on the balance sheet is the transfer from the City. There were variances on the June 30, 2011 financial statements, but they were cleared with the July 31, 2011 financial statements.

Patrick Spillane made a motion to accept the June 30, 2011 financial statements as presented. Susann Ventzke seconded the motion. The Board then voted to approve the motion.

Barbara Bundy made a motion to accept the July 31, 2011 financial statements as presented. Robert Cushman seconded the motion. The Board then voted to approve the motion.

ECONOMIC DEVELOPMENT REPORT

Bastian reported:

The next Art Walk will be on September 8, 2011, and Jim White will lead a guide of the event, which begins at 6:00 p.m. Bastian encouraged the Board members to attend Art Walk and participate in the guided tour of the event.

Bastian thanked Robert Cushman for hosting the Demographic Study press conference and thanked the marketing staff for their efforts. The DCBID had 11,323 usable responses, which is an increase of approximately 10 percent from the last survey. Schatz noted that although the median income decrease by \$3,000 during the recession, but the median income of new residents is the highest in the county. The Demographic Survey will be used for the 7th Street Retail Strategy.

The 7th Street Retail Strategy is ongoing, with staff actively looking for retailers. The DCBID gave 15 tours to prospects.

Hotel interest is picking up, which is directly related to Farmers Field.

The Downtown Ralphs is in the top one percent of performing stores, and its service deli is the top performer for Kroger nationwide. Walmart is testing the waters, and is considering putting a smaller concept in at Bixel and Cesar Chavez.

Bastian and Weiss will be attending the International Council of Shopping Centers' Annual Western Division Conference in Downtown San Diego.

The Dog Day Afternoon at the Cathedral had approximately 800 dogs.

The planning for the 4th Annual Halloween Party for Downtown LA Kids is in process. Due to the overwhelming response to the previous events, there will now be a fee of \$5 per person. There will also be a marionette show added to the event.

Planning for the annual Fall Program & Tour has commenced.

Bastian and Weiss reviewed the 90 businesses that have opened in Downtown since January 1, 2008, of which approximately 85 are still open.

OPERATIONS REPORT

Nakano reported:

The focus of the Safety staff is on the Figueroa and 7th Street corridors. On a daily basis, there is a deployment of approximately 20-26 safety officers, 30 maintenance staff, 5 ambassadors, and 4 outreach team members. Personal thefts remain an issue, as well as burglary to motor vehicles. The DCBID delivered approximately 350 pamphlets from the LAPD warning people about burglary to motor vehicles in the area.

There was concern regarding the smash-and-grab jewelry robberies that have been occurring on Broadway. The robberies seem to have stopped for the time being, as the LAPD has been making arrests of everyone involved. The DCBID will concentrate on putting foot patrols on Hill Street to look for suspicious activity.

The Maintenance staff will be focusing on special projects, especially in Downtown's gateway areas. For example, they cleared an area and found an encampment, as well as articles of interest, possible from motor vehicle thefts.

Approximately 20 newsracks were removed, which were safety hazards.

The BID ACTION team has a temporary addition of two members. Their homeless count this month increased by two people to total 113 people. The 4th/Flower underpass is a problem area. The lights have been taken out, and at 9:00 p.m. people set up tents.

Bundy mentioned that Maguire Gardens is having issues with noise between 5:00-6:00 a.m. Schatz will speak with the LAPD regarding enforcement of the noise ordinance.

Schatz and Tom Gilmore had separate meetings, one with City Attorney Carmen Trutanich to discuss speaking with the Governor regarding the release of parolees, and one with LAPD Chief Charlie Beck to talk about the people sitting on Main Street, between 5th and 6th Streets, who act as deterrents for pedestrians to pass. Schatz asked two SRO providers to send their own property management and security employees to monitor the street to look for drug activity, and to ask their residents not to sit on the street.

Unfortunately, certain organizations receive pro bono assistance from major law firms and government funding, but take away tools that LAPD could use for enforcement. The Institute, a film production company that just moved to the Pershing Square Building in Downtown, is considering filming what is happening on the streets. At the beginning of the year, there were over 1,000 people sleeping on the streets in Central Area. The number is currently approaching 1,600.

There will be an Operations Committee meeting on September 8, 2011, at 10:00 a.m.

Nakano will be meeting with the LAPD to discuss a potential deployment change on September 11, although there are no credible threats at this time.

MARKETING REPORT

Forman reported:

The Summer Nights campaign, which started in June, will be ending on Monday, September 5, 2011. The DCBID partnered with eight Downtown hotels, who offered "staycation" packages, and the campaign was promoted through a dedicated landing page, promotional video, print advertising in the Downtown News and a special Downtown section of the Jewish Journal, 40,000 postcards that were distributed, and an advertising/sponsorship package with CBS radio. Detailed hotel results will be included in next month's report, but as of yet, there have been 9,200 page views (an increase of 56 percent over 2010), \$25,000 worth of promotional value on KNX and KFWB, and the Wilshire Grand reported \$70,800 in booking revenue with 434 reservations at an average rate of \$144.

The 12th Annual Public Safety Appreciation BBQ will be held on September 30 at FIG at 7th, benefitting the Los Angeles Firemen's Relief Association. To date, over \$15,000 has been raised, with 43 sponsors. Morton's and CPK are providing the food.

The Marketing Committee had a brainstorming session on August 31, 2011, hosted by Nick & Stef's, to discuss goals and strategies for 2012.

The Marketing department is working on producing a video to be sent with petition packets, and is creating a special renewal newsletter to be distributed with the quarterly newsletter.

The Downtown Guides Program has been busy over the last couple of months. The Guides distributed over 85,000 pieces of collateral, gave over 9,200 directions, and contacted nearly 500 businesses, and gave out over 1,700 welcome bags, including at presentations to Gensler and the Colburn School.

The Smart Phone app is on target for launch this month. At the Marketing brainstorming session, much of what was discussed relates to new initiatives with smart phones and iPads.

Bastian reminded the meeting attendees that he and Weiss are happy to make presentations to either prospective or incoming tenants to talk about what to expect in Downtown.

DCBID RENEWAL 2013

Ely reported:

Schatz and Ely decided to send the Management Plan to the original attorney who formed the DCBID to ensure that the language matches the newest case law interpretations. The Management Plan will be submitted to the City next week. There was a change of \$16,000 in the overall assessment. Herman Pang has been working with the City Clerk's office to review each parcel, and his database has now been approved. The DCBID is still in good position to keep on track with the renewal timeline.

Schatz took a moment to report the passing of Ezat Delijani, a large Downtown property owner and leader of the Persian community.

OLD BUSINESS

A question was raised regarding the status of the Request for Proposals for the DCBID's security vendor. Schatz reported that the RFP is currently undergoing a third rewrite.

NEW BUSINESS

No new business was brought up.

ADJOURNMENT

The next meeting is scheduled for Wednesday, October 5, 2011, at 8:00 a.m. The meeting was adjourned at 9:22 a.m.